

Instructions for Form OS-114, Sales and Use Tax Return

O-88 (Rev. 12/03)

Filing Instructions

- You must complete and file Form OS-114 even if no sales were made or no tax is due. Use the preprinted tax return the Department of Revenue Services (DRS) mailed to you.
 - Verify that the correct Connecticut Tax Registration Number and period ending appear on the return.
 - Verify that your mailing address on the front of the return is correct.
 - If you are permanently out of business, check the box and enter your last business day.
 - If you have changed your **mailing address or trade name**, check the box and enter your new mailing address or trade name in the space provided.
 - If you have changed your **physical location**, check the box and enter your new location in the space provided.
 - If you are filing an **amended return**, check the box on the return.
 - You **must itemize all deductions** claimed on the back of the return.
 - A return is filed timely if received or if the date shown by the U.S. Postal Service cancellation mark is on or before the last day of the month following the filing period shown on the return. If the due date falls on a Saturday, Sunday or legal holiday, the next business day is the due date.
 - Write your **Connecticut Tax Registration Number** on the check.
 - Make your check payable to: **Commissioner of Revenue Services**.
 - Mail the return and payment in the enclosed self-addressed envelope.
 - If you have any questions, contact Taxpayer Services at 860-297-5962 (from anywhere) or 1-800-382-9463 (within Connecticut) or visit the DRS Web site at **www.ct.gov/DRS**
- TTY, TDD, and Text Telephone users only** may transmit inquiries anytime by calling 860-297-4911.

Special Notes

Rounding: You must round off cents to the nearest whole dollar on your returns and schedules. However, if you need to add two or more amounts to compute the amount to enter on a line, include cents and round off only the total.

Alternative Method: Use this alternative method to determine amounts for Lines 1, 2, and 3 if you do not account for sales tax separately from gross receipts.

- Step 1: Deduct the total of all exempt sales from gross receipts.
- Step 2: For receipts subject to the 6% tax rate, multiply the remaining balance by 94.3% (.943).
- Step 3: Add back the amount subtracted for exempt sales.
- Step 4: Enter total on appropriate gross receipts line (Line 1, 2 or 3).

Return and Remittances: We will return improperly completed returns or unsigned checks.

Successor's Liability: The purchaser of a business is liable for the taxes of the predecessor to the extent of the purchase price unless the purchaser obtains **Form AU-712, Tax Clearance Certificate**, from DRS. (See Conn. Gen. Stat. §12-424(2).)

Responsible Person Liability: Responsible persons may be held liable for sales and use taxes incurred by their business under Conn. Gen. Stat. §12-414a.

Line Instructions

Line 1 Enter total gross receipts from the sale of tangible personal property.

- (a) Include in Line 1 receipts from:
 - Sales of cigarettes and motor vehicle fuel;
 - Tax-exempt sales;
 - Total credit sales;
 - Federal and state excise taxes and state petroleum products gross earnings tax;
 - Sales of heating fuel, electricity, and gas; and
 - Shipping and delivery charges.
- (b) Exclude from Line 1 receipts from:
 - Installment payments from conditional or credit sales previously reported;
 - Sales and use taxes;
 - Sales of real estate; and
 - Commissions received, except sales agents services.

Line 2 Enter total gross receipts from the leasing and renting of tangible personal property. Include in Line 2 receipts from:

- Royalties or periodic payments received;
- Maintenance charges;
- Cancellation charges;
- Installation charges;
- Shipping and delivery charges.

Line 3 Enter total gross receipts derived from the rendering of all services, including but not limited to:

- a. Computer and data processing services;
- b. Credit information and reporting services;
- c. Employment agencies and agencies providing personnel services;
- d. Private investigation, protection, patrol work, watchman, and armored car services, excluding services of off-duty police officers and off-duty firefighters;
- e. Painting and lettering services;
- f. Photographic studio services;
- g. Telephone answering services;
- h. Stenographic services;
- i. Services to existing industrial, commercial, or income-producing real property;
- j. Business analysis, management, management consulting, and public relations services;
- k. Piped-in music services;
- l. Flight instruction and chartering services by a certified air carrier;
- m. Motor vehicle repair services;
- n. Motor vehicle parking excluding valet parking at any airport;
- o. Radio or television repair services;
- p. Furniture reupholstering and repair services;
- q. Repair services to electrical or electronic devices;
- r. Lobbying or consulting services;
- s. Sales agent services for selling tangible personal property, excluding auctioneer services;
- t. Locksmith services;
- u. Advertising or public relations services not related to the development of media advertising or cooperative direct mail advertising;
- v. Landscaping and horticulture services;
- w. Window cleaning services;
- x. Maintenance services;
- y. Janitorial services;
- z. Exterminating services;
- aa. Swimming pool cleaning and maintenance services;
- bb. Renovation and repair services to other than industrial, commercial or income-producing real property;
- cc. Miscellaneous personal services (SIC Industry Group 729 or NAICS 532220, 812191, 812199, and 812990), excluding services by licensed massage therapists or licensed hypertrichologists;
- dd. Repair or maintenance services to tangible personal property including any contract of warranty or service related to the item;
- ee. Business analysis, management, or management consulting services rendered by a general partner or an affiliate to a limited partnership;
- ff. Health and athletic club services;
- gg. Patient care services by hospitals;
- hh. Telecommunications services;
- ii. Community antenna television services;
- jj. Noncommercial vessel storage or mooring charges (exclusive of the period from November 1 through April 30);
- kk. Prepaid telephone calling service;
- ll. Furnishing of space for storage.

Line 4 Enter gross purchases of tangible personal property subject to use tax.

Line 5 Enter gross lease and rental payments subject to use tax.

Line 6 Enter gross payments for services subject to use tax.

Line 7 Enter total of Lines 1, 2, 3, 4, 5, and 6.

Line 8 Enter deduction total from the Total Deductions line on the back of the return.

Line 9 Subtract Line 8 from Line 7. Enter the difference. (Not less than zero)

Line 10 Multiply amount entered on Line 9 by the 6% tax rate (.06).

Line 11 For amended returns only, enter the tax paid on any prior return(s) filed for the period.

Line 12 Subtract Line 11 from Line 10. Enter the difference.

Line 13 Interest - If this is a late or amended return, interest is computed at the rate of 1% per month, or fraction of a month, from the due date until the date of payment. Interest is based on the amount that should have been remitted on time.

Penalty for failure to pay tax when due: 15% of the tax due or \$50, whichever is greater.

Line 14 Add Line 12 and Line 13. Enter total.

Deductions

DRS may require certificates from purchasers to support exempt sales. The term *sales* includes leases and rentals.

- Lines 15 – 17 Sales for resale.** Enter total sales made during the period for which resale certificates have been accepted.
- Line 19 Sales of commercial trucks** (including tractors and semitrailers) with gross vehicle weight rating over 26,000 pounds or operated actively and exclusively for carriage of interstate freight, under a certificate or permit issued by the Interstate Commerce Commission or its successor agency.
- Line 21 Sales of food** products for human consumption, vegetable seeds, and food sold through vending machines **and sales of certain nonfood products** purchased with food stamps. Food does not include alcoholic beverages, soda, candy, gum, tobacco products, or food prepared for immediate consumption at or near the seller's location.
- Line 23 Sales of fuel for motor vehicles.** Enter the sales of gasoline and diesel fuels on which the Connecticut motor vehicle fuels tax has been paid.
- Line 24 Sales of heating fuel, electricity, and gas** for use in any residential dwelling.
- Line 25 Sales of electricity to businesses** of \$150 or less per month.
- Line 26 Sales of heating fuel, gas, and electricity to agricultural producers and manufacturers** when 75% or more of the heating fuel, gas or electricity is consumed in a building or location used for agricultural production or manufacturing.
- Line 27 Sales of aviation fuel** used exclusively for aviation purposes.
- Line 29 Sales of tangible personal property for exclusive use in agricultural production** if a copy of **Form OR-248, Farmer Tax Exemption Permit**, was provided.
- Line 30 Sales of machinery and its replacement, repair, component and enhancement parts, materials, tools, and fuel for manufacturing production.** Sales of machinery and replacement, repair, component, and enhancement parts, parts to build machinery, used directly in the manufacturing process. Sales of materials, tools, and fuel used directly in an industrial plant in the manufacturing process or in furnishing gas, water, steam, or electricity when delivered to consumers through mains, lines or pipes. See also Line 71.
- Line 31 Sales of machinery, materials, tools, equipment, and supplies** used predominantly in the **production of printed material** by a commercial printer or in a related printing production process including publishing.
- Line 32 Sales for commercial fishing.** Sales of vessels, machinery, or equipment for exclusive use on commercial fishing vessels. Sales of materials, tools, and fuel used directly in commercial fishing.
- Lines 33 – 34 Sales in interstate and foreign commerce** where delivery was provided by seller to a point outside of Connecticut, irrespective of transportation facilities involved.
- Line 35 Out-of-state sales of services** when the benefit of the services is exclusively realized outside this state.
- Line 36 Sales of motor vehicles or vessels purchased by nonresidents.** Sales of motor vehicles or vessels are exempt from tax when the purchaser is not a resident of this state and does not maintain a permanent place of abode in this state, provided the motor vehicle or vessel is not presented for registration with the Department of Motor Vehicles in this state.
- Line 37 Sales of medicines, syringes, and needles by prescription.**
- Line 38 Sales of nonprescription medicines.** The exemption includes items used in or on the body: vitamin or mineral concentrates; dietary supplements; natural or herbal medicines; cough, cold or allergy medicines; antihistamines; laxatives; antidiarrheal medicines; analgesics; antibiotic, antiviral, and antifungal medicines; antiseptics; astringents; anesthetics; steroidal medicines; anthelmintics; emetics and antiemetics; antacids; and eye, ear, or nose medications. Test strips, tablets, lancets, and glucose monitoring equipment for diabetes, and any replacement, repair, and enhancement parts for the equipment are also exempt. Excluded from the exemption are cosmetics, dentifrices, mouthwash, shaving and hair care products, soaps, and deodorants.
- Lines 39 – 41 Sales to exempt charitable or religious organizations** under I.R.C. §501(c)(3) or cemetery organizations exempt under I.R.C. §501(c)(13), if the organization furnishes a valid exemption certificate.
- Lines 42 – 44 Sales to governmental agencies.** Enter sales to the United States, State of Connecticut, or any political subdivision or agency thereof, including public schools, police, fire departments, etc.
- Line 45 Sales of certified items for air or water pollution abatement.** Enter the sales of tangible personal property or supplies to be incorporated into or used and consumed in facilities whose primary purpose is the reduction, control or elimination of air or water

pollution, certified as approved for this purpose by the Commissioner of the Department of Environmental Protection.

- Line 47 Nontaxable labor and service charges** included in Line 3 but not deductible on another line of this return. Example: Labor on new construction.
- Line 48 Sales of services between wholly-owned business entities.** The exemption applies to services between entities, including entities other than corporations, where either entity owns a 100% controlling interest in the other. Business entities include corporations, trusts, estates, partnerships, limited partnerships, limited liability partnerships, limited liability companies, sole proprietorships, nonstock corporations, and federally recognized indian tribes. The exemption also applies to telecommunications services and community antenna television services. Note that a business entity cannot purchase services on resale when the services are purchased for resale to another affiliate.
- Line 50 Trade-ins.** Enter total trade-in allowance on any like-kind item of tangible personal property. All trade-ins, other than motor vehicles, farm tractors, snowmobiles, vessels, aircraft, and certain construction equipment, must be intended for resale.
- Line 52 Returned goods taxed at 6%.** Enter goods returned for credit within 90 days of date of sale.
- Line 56 Sales of oxygen, blood, artificial devices, crutches, and wheelchairs.** Enter sales of oxygen, blood or blood plasma, prostheses or the sales or repair services of crutches, walkers, wheelchairs, inclined stairway chairlifts, etc., vital life support equipment, and replacement, repair, and enhancement parts for this equipment.
- Line 58 Sales of printed material** delivered to Connecticut where purchaser has certified it will be delivered for use out of state within 30 days.
- Line 59 Sales of clothing or footwear under \$50 each.** This exemption does not apply to purchases of: special clothing or footwear primarily designed for athletic activity or protective use; jewelry, handbags, luggage, wallets, umbrellas, watches, and similar items carried on or about the human body.
- Line 60 Sales of cloth and components and yarn** used in the noncommercial production of clothing.
- Line 63 Funeral expenses.** Enter sales of caskets used for burials **and cremation** and the first \$2,500 of tangible personal property for each funeral.
- Line 69 Sales of aircraft having a maximum certificated take-off weight of 6,000 lbs or more** and repair or replacement parts and repair services exclusively for use in such aircraft owned or leased by a certificated air carrier, or in significant overhauling or rebuilding of aircraft on a factory basis.
- Line 71 Materials, tools, fuels, and machinery and equipment** to be used primarily in manufacturing, as described in the Manufacturing Recovery Act of 1992. Multiply applicable gross receipts by 50% (.50) and enter.
- Line 72 Sales of machinery, equipment, supplies, tools, and fuel** used directly in the **biotechnology industry**.
- Line 73 Sales of fabrication labor and repair and maintenance services for vessels.** Vessel means every description of watercraft, other than seaplane.
- Line 74 Computer and data processing services.** On and after July 1, 2001, the tax is 1%. Multiply the applicable gross receipts by 83.33% (.8333) and enter. Internet access services are not taxable.
- Line 75 Renovation and repair services to residential property.** Paving, painting or staining, wallpapering, roofing, siding, and exterior sheet metal work services to other than industrial, commercial or income-producing real property under Conn. Gen. Stat. §12-407(2)(i)(BB).
- Line 76 Patient care services by hospitals** under Conn. Gen. Stat. §12-407(2)(i)(FF) not taxable on or after July 1, 2001.
- Line 77 Sales to direct payment permit holders.** Direct payment permits allow taxpayers to pay use tax on certain purchases directly to DRS, rather than paying sales or use taxes to vendors.
- Line 78 Sales of college textbooks** to full-time or part-time students enrolled at institutions of higher education, with presentation of valid student identification cards. This exemption applies only to new and used books and related workbooks required or recommended for courses.
- Line 80 Media or cooperative direct mail advertising services.** Effective July 1, 2003, media advertising and cooperative direct mail advertising services are no longer taxable. Advertising or public relations services not related to the development of media advertising or cooperative direct mail advertising remain taxable at 6%.
- Lines A, B, and C Other adjustments – Explain fully.** On the applicable line enter and describe any other deductions not enumerated. For example, include on these lines: Sales to senior centers, sales made by eleemosynary nonprofit organizations of not more than \$20. For a complete list of sales and use tax exemptions, refer to Conn. Gen. Stat. §12-412.